1	HOUSE BILL NO. 2030
2	AMENDMENT IN THE NATURE OF A SUBSTITUTE
3	(Proposed by the House Committee on General Laws
4	on)
5	(Patron Prior to SubstituteDelegate Bulova)
6	A BILL to amend and reenact §§ 55-79.83:1, 55-471.1, and 55-514.1 of the Code of Virginia, relating to
7	common interest communities; dissemination of annual budget; reserve for capital components.
8	Be it enacted by the General Assembly of Virginia:
9	1. That §§ 55-79.83:1, 55-471.1, and 55-514.1 of the Code of Virginia are amended and reenacted as
10	follows:
11	§ 55-79.83:1. Annual budget; reserves for capital components.
12	A. Except to the extent provided in the condominium instruments, the executive organ shall, prior
13	to the commencement of the fiscal year, make available to unit owners either (i) the annual budget of the
14	unit owners' association or (ii) a summary of such annual budget.
15	B. Except to the extent otherwise provided in the condominium instruments and unless the
16	condominium instruments impose more stringent requirements, the executive organ shall:
17	1. Conduct at least once every five years a study to determine the necessity and amount of reserves
18	required to repair, replace, and restore the capital components as defined in § 55-79.41;
19	2. Review the results of that study at least annually to determine if reserves are sufficient; and
20	3. Make any adjustments the executive organ deems necessary to maintain reserves, as appropriate.
21	B. C. To the extent that the reserve study conducted in accordance with this section indicates a
22	need to budget for reserves, the unit owners' association budget shall include, without limitations:
23	1. The current estimated replacement cost, estimated remaining life, and estimated useful life of
24	the capital components as defined in § 55-79.41;

25	2. As of the beginning of the fiscal year for which the budget is prepared, the current amount of
26	accumulated cash reserves set aside, to repair, replace, or restore the capital components and the amount
27	of the expected contribution to the reserve fund for that fiscal year; and
28	3. A-general statement describing the procedures used for the estimation and accumulation of cash
29	reserves pursuant to this section and the extent to which the unit owners' association is funding its reserve
30	obligations consistent with the study currently in effect; and
31	4. A statement of the amount of reserves recommended in the study and the amount of current cash
32	for replacement reserves.
33	§ 55-471.1. Annual budget; reserves for capital components.
34	A. Except to the extent provided in the declaration, the board of directors shall, prior to the
35	commencement of the fiscal year, make available to lot owners either (i) the annual budget of the
36	association or (ii) a summary of such annual budget.
37	B. Except to the extent otherwise provided in the declaration and unless the declaration imposes
38	more stringent requirements, the executive board shall:
39	1. Conduct at least once every five years a study to determine the necessity and amount of reserves
40	required to repair, replace, and restore the capital components as defined in § 55-426;
41	2. Review the results of that study at least annually to determine if reserves are sufficient; and
42	3. Make any adjustments the executive board deems necessary to maintain reserves, as appropriate.
43	B. C. To the extent that the reserve study conducted in accordance with this section indicates a
44	need to budget for reserves, the association budget shall include, without limitations:
45	1. The current estimated replacement cost, estimated remaining life, and estimated useful life of
46	the capital components as defined in § 55-426;
47	2. As of the beginning of the fiscal year for which the budget is prepared, the current amount of
48	accumulated cash reserves set aside to repair, replace, or restore the capital components and the amount
49	of the expected contribution to the reserve fund for that fiscal year; and

50	3. A general statement describing the procedures used for the estimation and accumulation of cash
51	reserves pursuant to this section and the extent to which the association is funding its reserve obligations
52	consistent with the study currently in effect; and
53	4. A statement of the amount of reserves recommended in the study and the amount of current cash
54	for replacement reserves.
55	§ 55-514.1. Annual budget; reserves for capital components.
56	A. Except to the extent provided in the declaration, the board of directors shall, prior to the
57	commencement of the fiscal year, make available to lot owners either (i) the annual budget of the
58	association or (ii) a summary of such annual budget.
59	B. Except to the extent otherwise provided in the declaration and unless the declaration imposes
60	more stringent requirements, the board of directors shall:
61	1. Conduct at least once every five years a study to determine the necessity and amount of reserves
62	required to repair, replace, and restore the capital components as defined in § 55-509;
63	2. Review the results of that study at least annually to determine if reserves are sufficient; and
64	3. Make any adjustments the board of directors deems necessary to maintain reserves, as
65	appropriate.
66	B. C. To the extent that the reserve study conducted in accordance with this section indicates a
67	need to budget for reserves, the association budget shall include, without limitation:
68	1. The current estimated replacement cost, estimated remaining life, and estimated useful life of
69	the capital components as defined in § 55-509;
<b>70</b>	2. As of the beginning of the fiscal year for which the budget is prepared, the current amount of
<b>71</b>	accumulated cash reserves set aside, to repair, replace, or restore capital components and the amount of
72	the expected contribution to the reserve fund for that year; and
73	3. A general statement describing the procedures used for the estimation and accumulation of cash
74	reserves pursuant to this section-and the extent to which the association is funding its reserve obligations
<b>75</b>	consistent with the study currently in effect; and

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## OFFERED FOR CONSIDERATION

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<b>76</b>	4. A statement of the amount of reserves recommended in the study and the amount of current cash
77	for replacement reserves.
<b>78</b>	2. That the Common Interest Community Board shall develop guidelines for the development of
<b>79</b>	reserve studies for capital components, including a list of capital components that should be
80	addressed in a reserve study.
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